

ECONOMY

China's annual trade surplus hits a record \$1.2 trillion, even as exports to U.S. decline by 20%

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KEY POINTS

Exports surged 6.6% in U.S. dollar terms last month from a year earlier, topping Reuters-pollled analysts' median estimate for a 3% growth.

Imports rose 5.7% in December from a year earlier, topping expectations for a 0.9% growth.

Shipments to the U.S. plunged 30% in December from a year ago, declining for a ninth straight month.



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China's exports growth in December sharply beat expectations, catapulting the annual trade surplus to a record high, while imports rose at their fastest pace in three months.

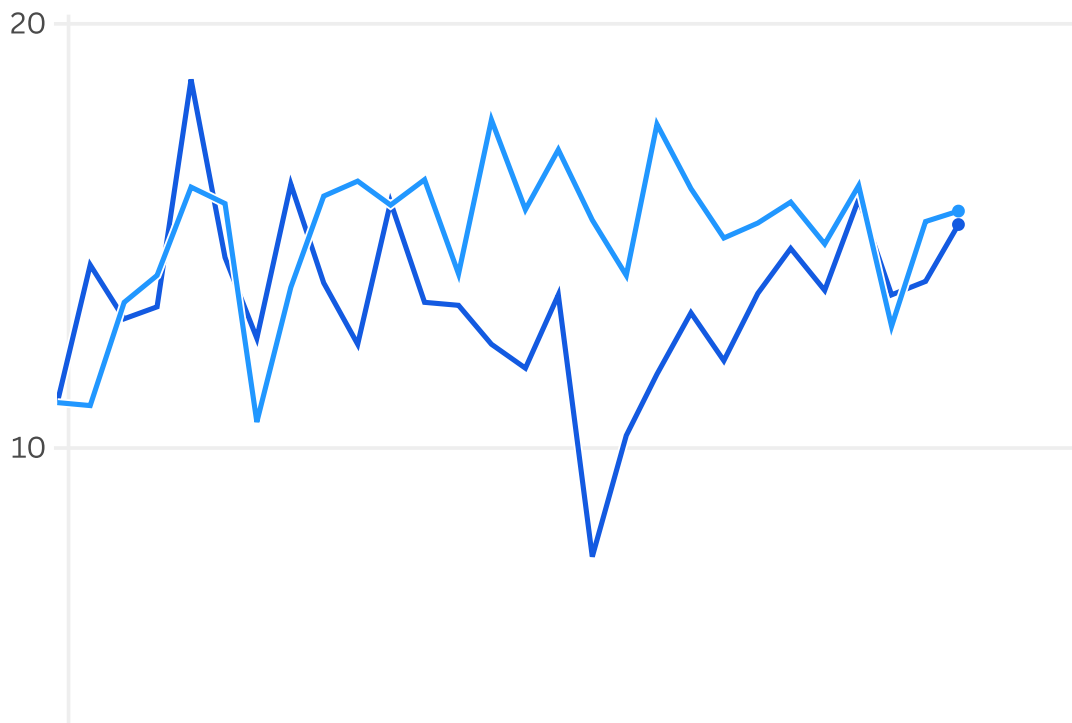
Exports surged 6.6% in U.S. dollar terms last month from a year earlier, Chinese customs data showed Wednesday, topping analysts' median estimate for a 3% growth and accelerating from a 5.9% jump in November.

Imports rose 5.7% in December from a year earlier, topping expectations for a 0.9% growth — strongest since September last year when [they climbed 7.4%](#), according to LSEG data.

China's exports for the full year grew 5.5% while imports stayed flat, taking Beijing's trade surplus to \$1.19 trillion, up 20% from [2024](#).

China's December trade growth gains momentum

year-on-year growth %



Source: China's General Administration of Customs



month while imports from the country dropped 27%, customs data showed.

Signaling a sharp drop in trade with the U.S. in 2025 amid tariff tensions, China's exports to the country dropped 20% while imports declined 14.6%.

Lv Daliang, spokesperson for China's customs authority, told reporters Wednesday that the trade relations with the U.S. should be "mutually-beneficial," calling for "dialogue and negotiation" to resolve issues and expand cooperation.

As Chinese exporters have ramped up shipments to non-U.S. markets, the growing trade imbalance has prompted concerns from major trading partners, including the European Union.

International Monetary Fund Managing Director Kristalina Georgieva in a December press conference [urged Beijing to shift away](#) from relying on exports for growth and accelerate its push to boost domestic consumption.

Surplus worries

China's trade surplus is going to have "as destructive an impact on the global trading system as Trump's tariffs," said Eswar Prasad, a senior fellow at Brookings Institution, as the country's sluggish domestic demand drags down global growth.

Nations around the world are likely to seek protection for their own economies by erecting trade barriers, Prasad cautioned.

Chinese officials [in December pledged to expand imports](#) and work toward balancing trade.

China's exports to the European Union and the Association of Southeast Asian Nations rose 12% and 11%, respectively, in December, while imports from the European nations expanded 18% and fell 5% from Southeast Asian countries.

The nearly \$19 trillion economy has struggled to shake off deflationary pressure as a deepening real estate collapse has weighed on household demand and a weak job market has clouded consumer confidence. Consumer prices in the country [stayed flat](#) in 2025, missing the official target of around 2% increase.

The World Bank in its report released Tuesday raised its forecast for China's growth [in 2026 to](#)



Zhiwei Zhang, president and chief economist at Pinpoint Asset Management, said Beijing will likely keep its macro policy stance unchanged at least in the first quarter, as strong exports growth has helped mitigate soft domestic demand and trade tensions with the U.S. have eased.



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China and U.S. in October agreed to roll back a series of export-control measures and higher tariffs in a 1-year trade truce, following a meeting between Chinese President Xi Jinping and his American counterpart Donald Trump. Beijing also pledged to buy at least 12 million tons of U.S. soybeans over the next two months.

According to the official data, the country bought 111.8 million tons of soybeans last year, up 6.5% from the 2024 level. In December, its imports of the crop were up only 1.3% at 8 million tons.

China's exports of rare earths jumped 32% in December to 4,392 tons and throughout the year, its shipments of the critical mineral were 12.9% more than the previous year.

China is set to release next Monday its annual and fourth-quarter gross domestic product data. Economists polled by Reuters expected the world's second largest economy to have expanded 4.5% in the final quarter. Beijing had set its growth target for 2025 at around 5%.

